



Claire McCaskill

Missouri State Auditor

---

April 2005

Barton County, Missouri

Years Ended

December 31, 2003 And 2002



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

April 2005

**IMPORTANT: The Missouri State Auditor is required by state law to conduct audits once every 4 years in counties, like Barton, that do not have a county auditor. In addition to a financial and compliance audit of various county operating funds, the State Auditor's statutory audit covers additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.**

-----  
This audit of Barton County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- The county does not have adequate procedures in place to track federal awards for the preparation of the SEFA. For the years ended December 31, 2003 and 2002, the county's SEFA did not include expenditures related to some of its federal grants (primarily expenditures of the highway planning and construction and public assistance grants) which resulted in total expenditures being understated by approximately \$50,000 and \$486,000, respectively.
- The County Commission did not monitor prevailing wages paid during the construction of a county bridge in violation of federal and state laws. In addition, the County Commission has not properly monitored its subrecipients' expenditures for federal emergency management assistance (FEMA). As a result, the County Commission allowed these subrecipients to expend over \$457,000 without reviewing or monitoring expenditures related to the FEMA program.
- The controls and procedures over county expenditures need improvement. The county did not always solicit bids or retain bid documentation for various purchases, prepaid a vendor \$76,741 for materials that were not delivered for several months, and has not made the required payments to the Missouri Office of Prosecuting Services (MOPS) since 2002 and owes the MOPS \$10,492. The County Commission indicated they would not make any payments to the MOPS until IV-D incentive monies are released by the state. In addition, some expenditures did not appear to be a prudent use of county funds and the county has not adopted formal policies and procedures for the use of county credit cards, has not prepared an annual maintenance plan for county bridges, and has not established formal follow up procedures for unpaid prisoner board bills.
- Some officials' salaries for the year ending December 31, 2004 are not supported by salary commission actions. In addition, various county employees who handle monies are not bonded.

(over)

YELLOW SHEET

- Centralized leave records are not maintained for all county employees by the County Clerk. As a result, two Sheriff's office employees were allowed to accumulate annual leave beyond the maximum allowed by the county's personnel policy and another employee was allowed to take annual leave beyond his accumulated balance.
- Problems were noted related to the Circuit Clerk's accounting controls and procedures. Bank reconciliations are not prepared for the fee account in a timely manner, the Circuit Clerk relies on the Office of State Courts Administrator (OSCA) to identify and resolve errors made in the accounting system, several outstanding checks are over one year old, and open items (liabilities) are not reconciled to the related cash balance. In addition, a complete listing of accrued costs owed to the court is not maintained and monitoring procedures related to accrued costs are not adequate. The Law Library Fund has accumulated a significant fund balance without any specific documented plans for its use, and over \$20,000 is maintained in a noninterest-bearing checking account.
- Controls and procedures need improvement in the Sheriff's office. Receipts are not always deposited timely, checks and money orders received are not restrictively endorsed and safeguarded until deposited, receipt slips are not always properly accounted for, the method of payment is not always indicated on receipt slips, and original copies of voided receipt slips are not always maintained. Controls and procedures over inmate monies regarding the segregation of duties, following up on old outstanding checks, and preparing listings of open items (liabilities) have not been established. In addition, seized property items are not always tagged to identify the property to a specific case, the Sheriff's office does not calculate the average cost of meals served to prisoners, and vehicle logs are not maintained for Sheriff's office vehicles.

Also included in the audit were recommendations related to general fixed assets. The audit also suggested improvements in the procedures of the Prosecuting Attorney, Assessor, and Health Center.

**All reports are available on our website: [www.auditor.mo.gov](http://www.auditor.mo.gov)**

BARTON COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>	
<hr/> <u>FINANCIAL SECTION</u> <hr/>		
State Auditor's Reports: .....	2-6	
Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4	
Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	5-6	
Financial Statements: .....	7-16	
<u>Exhibit</u>	<u>Description</u>	
A-1	Statement of Receipts, Disbursements, and Changes in Cash - Various Funds Year Ended December 31, 2003 .....	8
A-2	Year Ended December 31, 2002 .....	9
B	Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds, Years Ended December 31, 2003 and 2002 .....	10-16
Notes to the Financial Statements .....	17-20	
Supplementary Schedule: .....	21-23	
Schedule of Expenditures of Federal Awards, Years Ended December 31, 2003 and 2002 .....	22-23	
Notes to the Supplementary Schedule .....	24-26	
<hr/> <u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u> <hr/>		
State Auditor's Report: .....	28-30	
Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 .....	29-30	

BARTON COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<hr/> <u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u> <hr/>	
Schedule:.....	31-36
Schedule of Findings and Questioned Costs (Including Management's Plan for Corrective Action), Years Ended December 31, 2003 and 2002 .....	32-36
Section I - Summary of Auditor's Results.....	32
Section II - Financial Statement Findings.....	33
Section III - Federal Award Findings and Questioned Costs.....	33
<u>Number</u>	<u>Description</u>
03-1.	Schedule of Expenditures of Federal Awards.....33
03-2.	Prevailing Wages .....34
03-3.	Subrecipient Monitoring.....35
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	37-38
Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133 .....	39-40
<hr/> <u>MANAGEMENT ADVISORY REPORT SECTION</u> <hr/>	
Management Advisory Report - State Auditor's Findings .....	42-63
1.	County Expenditures.....44
2.	Officials' Compensation and Employee Bond Coverage .....48
3.	Personnel Policies and Procedures.....49
4.	General Fixed Assets .....51
5.	Circuit Clerk's Controls and Procedures.....52
6.	Prosecuting Attorney's Controls and Procedures .....55
7.	Sheriff's Controls and Procedures.....57
8.	Assessor's Controls and Procedures.....61
9.	Health Center Controls and Procedures.....62
Follow-Up on Prior Audit Findings.....	64-66
<hr/> <u>STATISTICAL SECTION</u> <hr/>	
History, Organization, and Statistical Information .....	68-71

FINANCIAL SECTION

State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS

To the County Commission  
and  
Officeholders of Barton County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Barton County, Missouri, as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Barton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2003 and 2002, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated December 15, 2004, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Barton County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above. Accordingly, we express no opinion on the information.



Claire McCaskill  
State Auditor

December 15, 2004 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits: Thomas J. Kremer, CPA  
Audit Manager: Pamela A. Tillery, CPA  
In-Charge Auditor: Jody R. Vernon, CPA  
Audit Staff: Jay Ross  
Monte Davault

Roberta Bledsoe



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission  
and  
Officeholders of Barton County, Missouri

We have audited the financial statements of various funds of Barton County, Missouri, as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated December 15, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of various funds of Barton County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of various funds of Barton County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all

matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Barton County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill  
State Auditor

December 15, 2004 (fieldwork completion date)

## Financial Statements

Exhibit A-1

BARTON COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 2003

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 258,991	839,139	783,232	314,898
Special Road and Bridge	843,870	1,090,158	1,018,912	915,116
Assessment	8	132,452	132,295	165
Law Enforcement Training	3,006	5,719	5,321	3,404
Prosecuting Attorney Training	2,585	688	1,191	2,082
Recorder	62,581	9,264	4,722	67,123
Prosecuting Attorney Bad Check	11,636	10,763	5,257	17,142
Law Enforcement Sales Tax	254,980	608,958	658,880	205,058
Local Use Sales Tax	71,721	413	3,136	68,998
Emergency 911	493,193	116,669	103,033	506,829
Noxious Weed	5,289	0	45	5,244
Election	4,170	607	204	4,573
FEMA	1,240	0	1,055	185
Drug Task Force	759	4	0	763
Health Center	395,950	830,598	917,801	308,747
Ex Officio Collector's Tax Maintenance	920	8,462	4,833	4,549
Special Law Enforcement Drug	3,998	21	0	4,019
Federal Forfeitures	45,463	248	0	45,711
Associate and Circuit Division Interest	4,628	461	2,172	2,917
Law Library	24,786	7,057	6,863	24,980
Total	\$ 2,489,774	3,661,681	3,648,952	2,502,503

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

BARTON COUNTY, MISSOURI  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS  
 YEAR ENDED DECEMBER 31, 2002

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 284,409	763,782	789,200	258,991
Special Road and Bridge	725,633	728,861	610,624	843,870
Assessment	158	136,384	136,534	8
Law Enforcement Training	8,159	2,311	7,464	3,006
Prosecuting Attorney Training	2,905	592	912	2,585
Recorder	59,031	8,659	5,109	62,581
Prosecuting Attorney Bad Check	10,692	11,264	10,320	11,636
Law Enforcement Sales Tax	193,902	679,250	618,172	254,980
Local Use Sales Tax	78,238	848	7,365	71,721
Emergency 911	423,546	117,499	47,852	493,193
Noxious Weed	5,400	0	111	5,289
Election	2,887	1,283	0	4,170
FEMA	0	459,131	457,891	1,240
Drug Task Force	750	9	0	759
Health Center	335,426	839,275	778,751	395,950
Ex Officio Collector's Tax Maintenance	0	920	0	920
Special Law Enforcement Drug	3,800	1,347	1,149	3,998
Federal Forfeitures	44,932	531	0	45,463
Associate and Circuit Division Interest	5,546	267	1,185	4,628
Law Library	27,000	26,687	28,901	24,786
Total	\$ 2,212,414	3,778,900	3,501,540	2,489,774

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

BARTON COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>TOTALS - VARIOUS FUNDS</b>						
RECEIPTS	\$ 3,534,839	3,653,894	119,055	3,036,589	3,749,148	712,559
DISBURSEMENTS	5,231,289	3,639,917	1,591,372	4,675,477	3,470,305	1,205,172
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,696,450)	13,977	1,710,427	(1,638,888)	278,843	1,917,731
CASH, JANUARY 1	2,409,871	2,410,899	1,028	2,116,968	2,131,136	14,168
CASH, DECEMBER 31	713,421	2,424,876	1,711,455	478,080	2,409,979	1,931,899
<b>GENERAL REVENUE FUND</b>						
RECEIPTS						
Property taxes	71,500	80,336	8,836	79,800	80,630	830
Sales taxes	449,050	447,758	(1,292)	436,200	448,767	12,567
Intergovernmental	79,160	82,879	3,719	41,675	36,587	(5,088)
Charges for service:	161,945	188,900	26,955	165,840	162,195	(3,645)
Interest	4,000	2,193	(1,807)	15,000	4,685	(10,315)
Other	12,810	19,073	6,263	11,500	12,918	1,418
Transfers in	18,000	18,000	0	18,000	18,000	0
Total Receipts	796,465	839,139	42,674	768,015	763,782	(4,233)
DISBURSEMENTS						
County Commissioner	99,610	87,181	12,429	98,270	88,089	10,181
County Clerk	70,300	68,962	1,338	66,900	65,040	1,860
Elections	39,750	36,746	3,004	81,300	64,131	17,169
Buildings and grounds	190,600	58,397	132,203	147,200	53,800	93,400
Employee fringe benefit	74,100	70,884	3,216	72,000	70,322	1,678
County Treasurer	63,425	62,218	1,207	59,550	59,666	(116)
County Collector	500	28	472	1,000	0	1,000
Ex Officio Recorder of Deed	59,590	56,000	3,590	40,850	39,690	1,160
Circuit Clerk	12,000	10,650	1,350	15,900	12,275	3,625
Court administration	16,665	13,529	3,136	21,580	11,892	9,688
Public Administrator	40,610	51,967	(11,357)	37,290	39,560	(2,270)
Jail	10,000	0	10,000	25,000	0	25,000
Prosecuting Attorney	102,890	88,111	14,779	100,490	83,788	16,702
Juvenile Offices	28,440	23,472	4,968	21,780	24,246	(2,466)
Public health and welfare service	18,600	14,861	3,739	10,470	16,782	(6,312)
Other	94,450	87,840	6,610	96,925	89,255	7,670
Computer	29,300	23,886	5,414	39,100	44,289	(5,189)
Transfers out	44,750	28,500	16,250	29,120	26,375	2,745
Emergency Fund	24,270	0	24,270	22,365	0	22,365
Total Disbursements	1,019,850	783,232	236,618	987,090	789,200	197,890
RECEIPTS OVER (UNDER) DISBURSEMENTS	(223,385)	55,907	279,292	(219,075)	(25,418)	193,657
CASH, JANUARY 1	258,991	258,991	0	283,682	284,409	727
CASH, DECEMBER 31	35,606	314,898	279,292	64,607	258,991	194,384

Exhibit B

BARTON COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>SPECIAL ROAD AND BRIDGE FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	995,000	1,059,929	64,929	674,000	686,680	12,680
Charges for service:	0	1,188	1,188	0	11,392	11,392
Interest	11,000	5,259	(5,741)	20,000	10,169	(9,831)
Other	0	23,782	23,782	4,000	20,620	16,620
<b>Total Receipts</b>	<b>1,006,000</b>	<b>1,090,158</b>	<b>84,158</b>	<b>698,000</b>	<b>728,861</b>	<b>30,861</b>
<b>DISBURSEMENTS</b>						
Salaries	125,000	108,836	16,164	121,000	104,143	16,857
Employee fringe benefit	76,300	25,961	50,339	80,200	21,588	58,612
Supplies	2,950	1,456	1,494	2,950	1,216	1,734
Insurance	8,500	3,340	5,160	10,500	3,686	6,814
Road and bridge materials	40,000	8,375	31,625	45,000	126,712	(81,712)
Equipment repairs	20,000	9,231	10,769	20,000	9,042	10,958
Rentals	3,000	409	2,591	3,000	1,437	1,563
Equipment purchases	108,500	513	107,987	91,500	34,462	57,038
Construction, repair, and maintenance	817,000	640,104	176,896	716,000	193,817	522,183
Distributions to township:	84,000	84,000	0	84,000	84,000	0
Emergency Fund	200,000	1,807	198,193	150,000	0	150,000
Other	59,000	116,880	(57,880)	22,400	12,521	9,879
Transfers out	18,000	18,000	0	18,000	18,000	0
<b>Total Disbursements</b>	<b>1,562,250</b>	<b>1,018,912</b>	<b>543,338</b>	<b>1,364,550</b>	<b>610,624</b>	<b>753,926</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(556,250)</b>	<b>71,246</b>	<b>627,496</b>	<b>(666,550)</b>	<b>118,237</b>	<b>784,787</b>
<b>CASH, JANUARY 1</b>	<b>843,870</b>	<b>843,870</b>	<b>0</b>	<b>724,764</b>	<b>725,633</b>	<b>869</b>
<b>CASH, DECEMBER 31</b>	<b>287,620</b>	<b>915,116</b>	<b>627,496</b>	<b>58,214</b>	<b>843,870</b>	<b>785,656</b>
<b><u>ASSESSMENT FUND</u></b>						
<b>RECEIPTS</b>						
Intergovernmental	107,022	102,741	(4,281)	117,782	109,239	(8,543)
Interest	200	86	(114)	725	210	(515)
Other	700	1,125	425	580	560	(20)
Transfers in	44,750	28,500	(16,250)	29,113	26,375	(2,738)
<b>Total Receipts</b>	<b>152,672</b>	<b>132,452</b>	<b>(20,220)</b>	<b>148,200</b>	<b>136,384</b>	<b>(11,816)</b>
<b>DISBURSEMENTS</b>						
Assessor	152,660	132,295	20,365	148,310	136,534	11,776
<b>Total Disbursements</b>	<b>152,660</b>	<b>132,295</b>	<b>20,365</b>	<b>148,310</b>	<b>136,534</b>	<b>11,776</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>12</b>	<b>157</b>	<b>145</b>	<b>(110)</b>	<b>(150)</b>	<b>(40)</b>
<b>CASH, JANUARY 1</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>145</b>	<b>158</b>	<b>13</b>
<b>CASH, DECEMBER 31</b>	<b>20</b>	<b>165</b>	<b>145</b>	<b>35</b>	<b>8</b>	<b>(27)</b>

Exhibit B

BARTON COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b><u>LAW ENFORCEMENT TRAINING FUND</u></b>						
<b>RECEIPTS</b>						
Charges for service:	4,000	5,713	1,713	5,000	2,252	(2,748)
Interest	60	6	(54)	300	59	(241)
Total Receipts	4,060	5,719	1,659	5,300	2,311	(2,989)
<b>DISBURSEMENTS</b>						
Sheriff	8,800	5,321	3,479	13,000	7,464	5,536
Total Disbursements	8,800	5,321	3,479	13,000	7,464	5,536
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,740)	398	5,138	(7,700)	(5,153)	2,547
CASH, JANUARY 1	3,006	3,006	0	8,149	8,159	10
CASH, DECEMBER 31	(1,734)	3,404	5,138	449	3,006	2,557
<b><u>PROSECUTING ATTORNEY TRAINING FUND</u></b>						
<b>RECEIPTS</b>						
Charges for service:	600	674	74	900	557	(343)
Interest	40	14	(26)	175	35	(140)
Total Receipts	640	688	48	1,075	592	(483)
<b>DISBURSEMENTS</b>						
Prosecuting Attorney	3,200	1,191	2,009	3,900	912	2,988
Total Disbursements	3,200	1,191	2,009	3,900	912	2,988
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,560)	(503)	2,057	(2,825)	(320)	2,505
CASH, JANUARY 1	2,585	2,585	0	2,901	2,905	4
CASH, DECEMBER 31	25	2,082	2,057	76	2,585	2,509
<b><u>RECORDER FUND</u></b>						
<b>RECEIPTS</b>						
Charges for service:	7,800	8,895	1,095	6,100	7,907	1,807
Interest	750	369	(381)	1,500	752	(748)
Total Receipts	8,550	9,264	714	7,600	8,659	1,059
<b>DISBURSEMENTS</b>						
Recorder of Deeds	67,000	4,722	62,278	66,500	5,109	61,391
Total Disbursements	67,000	4,722	62,278	66,500	5,109	61,391
RECEIPTS OVER (UNDER) DISBURSEMENTS	(58,450)	4,542	62,992	(58,900)	3,550	62,450
CASH, JANUARY 1	62,581	62,581	0	58,958	59,031	73
CASH, DECEMBER 31	4,131	67,123	62,992	58	62,581	62,523

Exhibit B

BARTON COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>PROSECUTING ATTORNEY BAD CHECK FUND</b>						
<b>RECEIPTS</b>						
Charges for service:	12,000	10,676	(1,324)	15,000	10,959	(4,041)
Interest	150	87	(63)	700	144	(556)
Other	0	0	0	0	161	161
Total Receipts	12,150	10,763	(1,387)	15,700	11,264	(4,436)
<b>DISBURSEMENTS</b>						
Prosecuting Attorney	23,000	5,257	17,743	24,600	10,320	14,280
Total Disbursements	23,000	5,257	17,743	24,600	10,320	14,280
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,850)	5,506	16,356	(8,900)	944	9,844
CASH, JANUARY 1	11,636	11,636	0	10,679	10,692	13
CASH, DECEMBER 31	786	17,142	16,356	1,779	11,636	9,857
<b>LAW ENFORCEMENT SALES TAX FUND</b>						
<b>RECEIPTS</b>						
Sales taxes	448,500	447,643	(857)	435,000	448,249	13,249
Intergovernmental	0	0	0	0	42,046	42,046
Charges for service:	109,350	143,337	33,987	108,750	185,192	76,442
Interest	3,800	1,452	(2,348)	6,000	3,763	(2,237)
Other	0	16,526	16,526	0	0	0
Total Receipts	561,650	608,958	47,308	549,750	679,250	129,500
<b>DISBURSEMENTS</b>						
Sheriff	370,800	350,590	20,210	347,500	325,825	21,675
Jail	384,343	289,534	94,809	374,340	277,569	96,771
Coroner	19,100	18,756	344	19,100	14,778	4,322
Total Disbursements	774,243	658,880	115,363	740,940	618,172	122,768
RECEIPTS OVER (UNDER) DISBURSEMENTS	(212,593)	(49,922)	162,671	(191,190)	61,078	252,268
CASH, JANUARY 1	254,980	254,980	0	193,653	193,902	249
CASH, DECEMBER 31	42,387	205,058	162,671	2,463	254,980	252,517
<b>LOCAL USE SALES TAX FUND</b>						
<b>RECEIPTS</b>						
Interest	800	413	(387)	2,500	848	(1,652)
Total Receipts	800	413	(387)	2,500	848	(1,652)
<b>DISBURSEMENTS</b>						
Equipment	20,000	0	20,000	20,000	3,241	16,759
Capital improvements	50,000	3,136	46,864	60,000	4,124	55,876
Transfers out	2,000	0	2,000	0	0	0
Total Disbursements	72,000	3,136	68,864	80,000	7,365	72,635
RECEIPTS OVER (UNDER) DISBURSEMENTS	(71,200)	(2,723)	68,477	(77,500)	(6,517)	70,983
CASH, JANUARY 1	71,721	71,721	0	78,142	78,238	96
CASH, DECEMBER 31	521	68,998	68,477	642	71,721	71,079

Exhibit B

BARTON COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>EMERGENCY 911 FUND</b>						
<b>RECEIPTS</b>						
Charges for service:	115,900	113,675	(2,225)	108,650	111,780	3,130
Interest	5,500	2,994	(2,506)	14,000	5,719	(8,281)
Total Receipts	121,400	116,669	(4,731)	122,650	117,499	(5,151)
<b>DISBURSEMENTS</b>						
Supplies	10,000	63	9,937	5,000	1,124	3,876
Training	50,000	167	49,833	100,000	575	99,425
Equipment	405,000	76,440	328,560	260,000	15,440	244,560
Telephone service:	40,000	26,363	13,637	38,000	30,713	7,287
Transfers out	100,000	0	100,000	100,000	0	100,000
Total Disbursements	605,000	103,033	501,967	503,000	47,852	455,148
RECEIPTS OVER (UNDER) DISBURSEMENTS	(483,600)	13,636	497,236	(380,350)	69,647	449,997
CASH, JANUARY 1	493,193	493,193	0	423,021	423,546	525
CASH, DECEMBER 31	9,593	506,829	497,236	42,671	493,193	450,522
<b>NOXIOUS WEED FUND</b>						
<b>RECEIPTS</b>						
Total Receipts	0	0	0	0	0	0
<b>DISBURSEMENTS</b>						
Noxious weed	5,288	45	5,243	5,400	111	5,289
Total Disbursements	5,288	45	5,243	5,400	111	5,289
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,288)	(45)	5,243	(5,400)	(111)	5,289
CASH, JANUARY 1	5,289	5,289	0	5,400	5,400	0
CASH, DECEMBER 31	1	5,244	5,243	0	5,289	5,289
<b>ELECTION FUND</b>						
<b>RECEIPTS</b>						
Charges for service:	800	581	(219)	1,200	1,241	41
Interest	40	26	(14)	75	42	(33)
Total Receipts	840	607	(233)	1,275	1,283	8
<b>DISBURSEMENTS</b>						
Elections	5,000	204	4,796	4,000	0	4,000
Total Disbursements	5,000	204	4,796	4,000	0	4,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,160)	403	4,563	(2,725)	1,283	4,008
CASH, JANUARY 1	4,170	4,170	0	2,887	2,887	0
CASH, DECEMBER 31	10	4,573	4,563	162	4,170	4,008

Exhibit B

BARTON COUNTY, MISSOURI  
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>FEMA FUND</b>						
<b>RECEIPTS</b>						
Intergovernmental	0	0	0	0	459,131	459,131
Total Receipts	0	0	0	0	459,131	459,131
<b>DISBURSEMENTS</b>						
Townships	1,240	1,055	185	0	457,891	(457,891)
Total Disbursements	1,240	1,055	185	0	457,891	(457,891)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,240)	(1,055)	185	0	1,240	1,240
CASH, JANUARY 1	1,240	1,240	0	0	0	0
CASH, DECEMBER 31	0	185	185	0	1,240	1,240
<b>DRUG TASK FORCE FUND</b>						
<b>RECEIPTS</b>						
Interest	10	4	(6)	20	8	(12)
Other	0	0	0	0	1	1
Total Receipts	10	4	(6)	20	9	(11)
<b>DISBURSEMENTS</b>						
Supplies	758	0	758	700	0	700
Total Disbursements	758	0	758	700	0	700
RECEIPTS OVER (UNDER) DISBURSEMENTS	(748)	4	752	(680)	9	689
CASH, JANUARY 1	759	759	0	750	750	0
CASH, DECEMBER 31	11	763	752	70	759	689
<b>HEALTH CENTER FUND</b>						
<b>RECEIPTS</b>						
Property taxes	127,642	132,255	4,613	121,828	127,642	5,814
Intergovernmental	666,530	631,211	(35,319)	525,260	632,637	107,377
Charges for service:	38,520	36,118	(2,402)	34,125	38,427	4,302
Interest	11,135	5,885	(5,250)	8,156	9,182	1,026
Other	20,970	25,129	4,159	27,135	31,387	4,252
Total Receipts	864,797	830,598	(34,199)	716,504	839,275	122,771
<b>DISBURSEMENTS</b>						
Salaries	709,952	681,052	28,900	590,247	623,266	(33,019)
Office expenditures:	43,600	54,410	(10,810)	46,043	38,871	7,172
Equipment	82,715	81,895	820	18,975	21,940	(2,965)
Mileage and training	35,345	35,395	(50)	31,540	34,489	(2,949)
Inservice and educatiior	2,800	4,089	(1,289)	3,650	1,908	1,742
Contractor labor and professional fee	10,000	15,664	(5,664)	9,220	8,067	1,153
Building and grounds	7,100	2,380	4,720	7,050	0	7,050
Environmental grant	3,183	4,211	(1,028)	0	10,087	(10,087)
Other	33,055	38,705	(5,650)	26,762	40,123	(13,361)
Total Disbursements	927,750	917,801	9,949	733,487	778,751	(45,264)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(62,953)	(87,203)	(24,250)	(16,983)	60,524	77,507
CASH, JANUARY 1	394,922	395,950	1,028	323,837	335,426	11,589
CASH, DECEMBER 31	331,969	308,747	(23,222)	306,854	395,950	89,096

Exhibit B

BARTON COUNTY, MISSOURI  
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>EX OFFICIO COLLECTOR'S TAX MAINTENANCE FUND</b>						
<b>RECEIPTS</b>						
Charges for services:	4,800	8,445	3,645			
Interest	5	17	12			
Total Receipts	<u>4,805</u>	<u>8,462</u>	<u>3,657</u>			
<b>DISBURSEMENTS</b>						
Ex Officio Collector	3,250	4,833	(1,583)			
Total Disbursements	<u>3,250</u>	<u>4,833</u>	<u>(1,583)</u>			
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,555	3,629	2,074			
CASH, JANUARY 1	920	920	0			
CASH, DECEMBER 31	<u>\$ 2,475</u>	<u>4,549</u>	<u>2,074</u>			

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

BARTON COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Barton County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Health Center Board of Trustees. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Ex Officio Collector's Tax Maintenance Fund	2002
Special Law Enforcement Drug Fund	2003 and 2002
Federal Forfeitures Fund	2003 and 2002
Associate and Circuit Division Interest Fund	2003 and 2002
Law Library Fund	2003 and 2002

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
FEMA Fund	2002
Health Center Fund	2002
Ex Officio Collector's Tax Maintenance Fund	2003

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

The county's published financial statements for the years ended December 31, 2003 and 2002, included all funds presented in the accompanying financial statements.

The Health Center also published financial statements for the years ended December 31, 2003 and 2002, showing receipts or revenues, disbursements or expenditures, and beginning and ending balances; however, it did not publish a detailed list of payments to vendors.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's and the Health Center Board's deposits at December 31, 2003 and 2002, were entirely covered by federal depository insurance or by collateral securities held by the county's or the board's custodial bank in the county's or the board's name.

4. Prior Period Adjustment

The Election Fund's cash balance of \$2,887 at January 1, 2002, was not previously reported but has been added.

Supplementary Schedule

Schedule

BARTON COUNTY, MISSOURI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2003	2002
U. S. DEPARTMENT OF AGRICULTURE				
Direct programs:				
10.904	Watershed Protection and Flood Prevention	EWP DSR 011-03-03 \$	20,000	0
		EWP DSR 011-03-04	6,300	0
		EWP DSR 011-03-06	9,900	0
	Program Total		<u>36,200</u>	<u>0</u>
Passed through state:				
Department of Health and Senior Services -				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-4105	9,608	0
		ERS045-3105W	36,342	10,852
		ERS045-2105	0	30,726
	Program Total		<u>45,950</u>	<u>41,578</u>
10.559	Summer Food Service Program for Children	ERS146-3105I	195	0
		ERS146-3105I	0	120
	Program Total		<u>195</u>	<u>120</u>
U.S. DEPARTMENT OF JUSTICE				
Direct programs:				
16.607	Bullet Proof Partnership Program	N/A	3,451	0
Passed through:				
Missouri Sheriffs' Association -				
16	Domestic Cannabis Eradication/Suppression Program	N/A	1,228	934
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO-006 (13)	349,687	20,721
Department of Public Safety -				
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	N/A	8,563	4,479

Schedule

BARTON COUNTY, MISSOURI  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31,	
			2003	2002
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Direct programs:				
66.460	Nonpoint Source Implementation Grant	N/A	1,179	0
66.604	Environmental Justice Hazardous Substances Research Small Grants to Community Group	N/A	2,633	10,087
Passed through state Department of Public Safety				
83.544	Public Assistance Grants <sup>1</sup>	FEMA-1463-DR-MO	22,155	0
		FEMA-1412-DR-MO	0	457,788
	Program Total		<u>22,155</u>	<u>457,788</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state				
Department of Health and Senior Services -				
93.197	Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	ERS146-3105T	3,100	0
		ERS146-2105L	0	2,013
	Program Total		<u>3,100</u>	<u>2,013</u>
93.268	Immunization Grant:	N/A	36,832	47,654
		PGA064-3105A	3,900	1,865
		PGA064-2105A	0	1,815
	Program Total		<u>40,732</u>	<u>51,334</u>
Department of Social Services -				
93.563	Child Support Enforcement	N/A	569	346
93.575	Child Care and Development Block Grant	PGA067-2105S	1,140	1,710
		PGA067-4105C	225	0
		PGA067-3105C	1,265	60
		PGA067-2105C	0	771
	Program Total		<u>2,630</u>	<u>2,541</u>
Department of Social Services -				
93.667	Social Services Block Grant	N/A	284	501
93.994	Maternal and Child Health Services Block Grant to the States	N/A	365	469
		ERS146-4105M	3,875	0
		ERS146-3105A	11,820	3,940
		ERS146-2105A	0	11,828
	Program Total		<u>16,060</u>	<u>16,237</u>
	Total Expenditures of Federal Awards		<u>\$ 534,616</u>	<u>608,679</u>

\* The CFDA number for this program changed to 97.036 in October 2002.

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

BARTON COUNTY, MISSOURI  
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Barton County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

*Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals. . . .

*Federal award* means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$457,788 to subrecipients under the Public Assistance Grants (CFDA number 83.544) during the year ended December 31, 2002.

FEDERAL AWARDS -  
SINGLE AUDIT SECTION

State Auditor's Report



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission  
and  
Officeholders of Barton County, Missouri

Compliance

We have audited the compliance of Barton County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2003 and 2002. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Barton County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2003 and 2002. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance

with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 03-1 through 03-3.

### Internal Control Over Compliance

The management of Barton County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 03-1 through 03-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are material weaknesses.

This report is intended for the information and use of the management of Barton County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.



Claire McCaskill  
State Auditor

December 15, 2004 (fieldwork completion date)

Schedule

BARTON COUNTY, MISSOURI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)  
YEARS ENDED DECEMBER 31, 2003 AND 2002

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?        yes   x   no

Reportable conditions identified that are not considered to be material weaknesses?        yes   x   none reported

Noncompliance material to the financial statements noted?        yes   x   no

Federal Awards

Internal control over major programs:

Material weaknesses identified?        yes   x   no

Reportable conditions identified that are not considered to be material weaknesses?   x   yes        none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?   x   yes        no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction
83.544	Public Assistance Grants

Dollar threshold used to distinguish between Type A  
and Type B programs: \$300,000

Auditee qualified as a low-risk auditee?        yes   x   no

## **Section II - Financial Statement Findings**

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

## **Section III - Federal Award Findings and Questioned Costs**

This section includes the audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

<b>03-1. Schedule of Expenditures of Federal Awards</b>
---

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity Identifying Number:	BRO-006 (13)
Award Years:	2003 and 2002
Questioned Costs:	Not Applicable

Federal Grantor:	Federal Emergency Management Agency
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Number:	83.544
Program Title:	Public Assistance Grants
Pass-Through Entity Identifying Number:	FEMA-1463-DR-MO, FEMA-1412-DR-MO
Award Years:	2003 and 2002
Questioned Costs:	Not Applicable

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The county is required to submit the schedule of expenditures of federal awards to the State Auditor's Office as a part of the annual budget.

The county does not have adequate procedures in place to track federal awards for the preparation of the SEFA. For the years ended December 31, 2003 and 2002, the county's SEFA did not include expenditures related to some of its federal grants (primarily expenditures of the highway planning and construction and public assistance grants) which resulted in total expenditures being understated by approximately \$50,000 and \$486,000, respectively. The County Clerk reported revenues for some of the federal grants as expenditures and failed to report anything for other grants. Compilation of the SEFA requires consulting county financial records and requesting information from other departments and officials.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

**WE RECOMMEND** the County Clerk prepare a complete and accurate schedule of expenditures of federal awards.

**AUDITEE'S RESPONSE AND PLANS FOR CORRECTIVE ACTION**

*The County Commission indicated they will work to ensure the schedule is more accurate in the future.*

<b>03-2.</b>	<b>Prevailing Wages</b>
--------------	-------------------------

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	Highway and Transportation Commission
Federal CFDA Number:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Number:	BRO-006 (13)
Award Years:	2003 and 2002
Questioned Costs:	Not Applicable

The County Commission did not monitor prevailing wages paid during the construction of a county bridge. During the two years ended December 31, 2003, the county participated in the Highway Planning and Construction Program and received and disbursed approximately \$370,000.

Although the county entered into a written agreement with the construction company to pay its employees prevailing wages, the county did not require the contractor to provide supporting documentation of wages paid to ensure prevailing wage requirements had been met. In addition, the county's contract with the engineering firm for the project required the firm to review wage rates paid by the contractor; however, the county did not require the engineering firm to provide documentation of its review of wage rates. At our request, the construction company provided documentation of the wages paid on the project, and prevailing wage requirements appeared to have been met for the wages reviewed.

The Davis-Bacon Act requires that all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the U.S. Department of Labor. In addition, Section 290.230, RSMo 2000, requires prevailing wages to be paid to all workmen employed by or on behalf of any public body engaged in construction projects exclusive of routine maintenance work. The County Commission cannot ensure compliance with the Davis-Bacon Act and state law if documentation of prevailing wages paid is not obtained and reviewed.

**WE RECOMMEND** the County Commission obtain and review documentation of wages paid to ensure all contract laborers are paid prevailing wage rates on federally funded construction projects.

**AUDITEE'S RESPONSE AND PLANS FOR CORRECTIVE ACTION**

*The County Commission indicated they will ensure prevailing wage documentation is obtained from the engineering firm on all future projects.*

**03-3.**

**Subrecipient Monitoring**

Federal Grantor:	Federal Emergency Management Agency
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Number:	83.544
Program Title:	Public Assistance Grants
Pass-Through Entity	
Identifying Number:	FEMA-1412-DR-MO
Award Years:	2002
Questioned Costs:	Not Applicable

The County Commission has not properly monitored its subrecipients' expenditures for federal emergency management assistance (FEMA). The county was awarded FEMA to repair and rebuild roads in fourteen townships located within the county as a result of flooding damages incurred in the spring of 2002.

The Barton County Commission was designated as the official recipient for the FEMA grant funds, although most of these monies were to be passed through to the county townships. During our review of the townships' invoices, there was no indication that the County Commission had reviewed any of the invoices related to the FEMA Program. As a result, the County Commission allowed these subrecipients to expend over \$457,000 without reviewing or monitoring expenditures related to the FEMA program. The County Commission indicated they did monitor the progress of the repairs made to township roads with FEMA funds by attending meetings with township board members and visiting work sites.

Under provisions of the Single Audit Act and OMB Circular A-133, the county, as primary grant recipient, is required to monitor any subrecipients receiving \$25,000 or more in federal financial assistance for compliance with applicable laws and regulations. In addition, Section 410(d) of Circular A-133 requires the county to inform the subrecipients of information about the award or requirements imposed on them by federal laws and regulations.

By not properly monitoring the county's subrecipients, the County Commission cannot ensure that FEMA monies are being expended in accordance with federal requirements. As the grant recipient, the county is ultimately responsible for ensuring compliance with federal requirements.

**WE RECOMMEND** the County Commission properly monitor federal grant subrecipients' expenditures to ensure compliance with applicable laws and regulations.

#### **AUDITEE'S RESPONSE AND PLANS FOR CORRECTIVE ACTION**

*The County Commission indicated they did review the subrecipients' expenditures; however, they will ensure their review and approval is documented in the future.*

Follow-Up on Prior Audit Findings for an  
Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards*

BARTON COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

The prior audit report issued for the two years ended December 31, 2001, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings  
in Accordance With OMB Circular A-133

BARTON COUNTY, MISSOURI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2001, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -  
State Auditor's Findings

BARTON COUNTY, MISSOURI  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

We have audited the financial statements of various funds of Barton County, Missouri, as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated December 15, 2004. We also have audited the compliance of Barton County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2003 and 2002, and have issued our report thereon dated December 15, 2004.

Because the Barton County Memorial Hospital is audited and separately reported on by other independent auditors, the related fund is not presented in the financial statements. However, we reviewed those audit reports and other applicable information.

In addition, we have audited the operations of elected officials with funds other than those presented in the financial statements to comply with the State Auditor's responsibility under Section 29.230, RSMo 2000, to audit county officials at least once every 4 years. The objectives of this audit were to:

1. Review the internal controls over the transactions of the various county officials.
2. Review compliance with certain legal provisions.

Our methodology to accomplish these objectives included reviewing accounting and bank records and other pertinent documents; interviewing various personnel of the county officials, as well as certain external parties; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

This Management Advisory Report (MAR) presents any findings arising from our audit of the elected county officials and the county board referred to above. In addition, this report includes any findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These MAR findings resulted from our audit of the financial statements of Barton County or of its compliance with the types of compliance requirements applicable to each of its major federal programs but do not meet the criteria for inclusion in the written reports on compliance and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

<b>1.</b>	<b>County Expenditures</b>
-----------	----------------------------

The county did not always solicit bids or retain bid documentation for various purchases, prepaid a vendor for materials that were not delivered for several months, and has not made the required payments to the Missouri Office of Prosecuting Services (MOPS) since 2002 totaling \$10,492. In addition, the county expended funds which do not appear to be a prudent use of county funds, has not adopted formal policies and procedures for the use of county credit cards, has not prepared an annual maintenance plan for county bridges, and has not established formal follow up procedures for unpaid prisoner board bills.

- A. The county did not always solicit bids or retain bid documentation for various purchases. Examples of items purchased for which bid documentation could not be located are as follows:

<u>Items or Services</u>	<u>Cost</u>
Emergency 911 radios and tower	\$88,198
Computer programming and network service (2003 and 2002)	68,430
Food for jail (2003 and 2002)	65,993
Patrol car	19,995
Prosecuting Attorney's video projector and screen	4,559

The County Commission and County Clerk indicated that bids were solicited for some of these purchases through telephone calls or some items were only available from one vendor; however, documentation of these calls and sole source procurement situations were not maintained. In addition, the County Commission indicated the Emergency 911 radios and tower were advertised for bids; however, documentation of the advertisement was not maintained.

Section 50.660, RSMo 2000, requires bids for all purchases of \$4,500 or more from any one person, firm, or corporation during any period of ninety days. Bidding procedures for major purchases provide a framework for economical management of county resources and help assure the county that it receives fair

value by contracting with the lowest and best bidders. Competitive bidding ensures all parties are given equal opportunity to participate in county business.

- B. The county prepared and signed a check on December 29, 2003 for \$76,741 for guard rails and concrete bridge floors that were to be used during 2004. The check was held by the county because the vendor had not delivered the materials; however, a check was reissued and given to the vendor on March 29, 2004 even though the materials had yet to be delivered. The delivery date and cost of the materials related to this payment are noted below:

Delivery Date	Cost
August 31, 2004	\$ 15,009
September 14, 2004	11,701
October 18, 2004	15,009
November 23, 2004	16,510
Not delivered as of January 25, 2005	18,512
Total	\$ <u>76,741</u>

The County Commission indicated this transaction was handled in this manner to utilize the 2003 bid price; however, the 2004 bid price was not significantly different. (The price for guard rails increased \$1 per linear foot and the price for concrete bridge floors remained the same. The county only spent \$3,424 or 4% of this entire purchase for guard rails.)

Article VI, Section 23 of the Missouri Constitution specifically prohibits counties, cities, or other political subdivisions of the state from granting public money to any corporation, association, or individual. Also, it is not prudent for the county to prepay for materials to be received at a later date. Doing so could result in the county paying for goods or services not received.

- C. Section 56.807, RSMo 2000, requires counties to make monthly payments to the MOPS for the Prosecuting Attorney's Retirement Fund. The county has not made the required payments to the MOPS since 2002 and as a result owes the MOPS \$10,492 as of December 2004.
- D. The County Commission approved some payments to vendors without requiring acknowledgment of receipt of goods or services. Some examples include brush removal for tornado damages, contracted road work, and gravel hauling services. To ensure that payments are valid and for goods or services actually received, evidence of receipt of goods or services should be noted.
- E. The county purchased food, catered meals, and rented a room for various meetings with members of the Local Emergency Planning Committee (LEPC) and with township board members to discuss the Federal Emergency Management Assistance (FEMA) grant, sign contracts, and discuss township board members'

duties. The expenditures related to these four meetings, totaling \$1,508, do not appear to be a prudent use of county funds.

The county's residents place a fiduciary trust in their public officials to expend public funds in a necessary and prudent manner. It is questionable whether these expenditures are a prudent use of public funds. The county should ensure funds are spent only on items which are necessary and beneficial to county residents.

F. The county and the Sheriff's office maintain approximately 40 credit cards for the purchase of supplies and for expenses incurred to transport prisoners. The county has not adopted formal policies and procedures for the use of county credit cards. Such policies and procedures, such as a policy prohibiting the personal use of county credit cards, are necessary to help ensure county credit cards are used only for county business. In addition, the county should carefully evaluate the need for each credit card.

G. An annual maintenance plan for the county bridges has not been prepared. A formal maintenance plan should be prepared in conjunction with the annual fiscal budget and include a description of the bridges to be worked on, the type of work to be performed, an estimate of the quantity and cost of materials needed, the dates such work could begin, the amount of labor required to perform the work, and other relevant information. The plan should be included in the budget message and be approved by the county commission. In addition, a public hearing should be held to obtain input from the county residents.

A formal maintenance plan would serve as a useful management tool and provide greater input into the overall budgeting process. Such a plan provides a means to more effectively monitor and evaluate the progress made in the repair and maintenance of county bridges throughout the year.

H. Barton County boards prisoners for surrounding counties and cities. The County Clerk's office prepares and sends board bills to the other governments; however, the county has no formal follow up procedures for unpaid board bills. At December 31, 2004 unpaid board bills totaled \$3,100 with some dating back to January 2003. Procedures should be established to follow up on unpaid board bills including sending second billings.

**WE RECOMMEND** the County Commission:

- A. Solicit bids for all items in accordance with state law. Documentation of bids solicited and justification for bid awards should be retained by the County Clerk. If it is not practical to obtain bids in a specific instance, or if sole source procurement is necessary, the circumstances should be thoroughly documented.
- B. Discontinue the practice of prepaying for items.

- C. Authorize a payment of \$10,492 to the Missouri Office of Prosecution Services for amounts due as of December 2004, and make monthly payments as required by state law.
- D. Ensure all invoices contain an indication of receipt of goods or services.
- E. Ensure expenditures are a necessary and prudent use of public funds.
- F. Evaluate the need for each county credit card and cancel any cards which are determined unnecessary. Adopt formal policies and procedures for credit card use, including policies which prohibit the personal use of county credit cards, require all credit card slips be submitted prior to payment of invoices, and require credit card purchases to comply with county bidding policies.
- G. Establish a formal annual maintenance plan for county bridges.
- H. Establish procedures to follow up on unpaid board bills including rebilling any unpaid amounts. Documentation of any subsequent billings should be maintained.

#### **AUDITEE'S RESPONSE**

*The County Commission provided the following responses:*

- A. *In the future, we will ensure bids are obtained and the supporting documentation is retained.*
- B. *In the future, we will review the situation and try to pay as the materials are delivered.*
- C. *We will not make these payments until IV-D incentive money is released by the state.*
- D. *This will be done in the future.*
- E. *We believe these monies were well spent to ensure attendance at the meetings.*
- F. *The County Clerk maintains a listing of what cards are assigned to each employee and the credit card statements are reviewed prior to approval.*
- G. *We will consider implementing this recommendation.*
- H. *Any billings not paid within six months will be sent a second notice. Procedures will be adopted to write-off uncollectible amounts.*

**2.****Officials' Compensation and Employee Bond Coverage**

Some officials' salaries for the year ending December 31, 2004 are not supported by salary commission actions. In addition, the Treasurer and Ex Officio County Collector was apparently overpaid, and various county employees who handle monies are not bonded.

- A. Salary increases paid to some elected officials (in the middle of their term of office) totaling \$7,871 during the year ending December 31, 2004 (except as noted) are not supported by salary commission actions. These salary increases by official are as follows:

Official	2005 or 2004 Salary Increase
Eastern Commissioner	\$ 1,320
Western Commissioner	1,320
Treasurer and Ex Officio County Collector (year ended March 31, 2005)	2,000
Assessor (year ended August 31)	1,231
Sheriff	2,000
Total	\$ <u>7,871</u>

The salary commission met in November 1997 and voted for each official to receive the maximum allowable compensation for the terms beginning during the calendar year 1999 and beyond. The County Clerk indicated it was the salary commission's intention to take salary increases when assessed valuation increases within the county occurred; however, the salary commission minutes do not clearly indicate this was their decision. Additionally, the salary commission did not meet in 1999, 2001, or 2003 to approve any salary increases.

Section 50.333, RSMo 2000, provides for the salary commission to meet in each odd-numbered year to determine the compensation to be paid to county officials beginning with their next term of office. The County Commission should ensure future salary decisions are documented and supported by actions of the salary commission. In addition, the County Commission should review this situation, obtain a legal opinion regarding these payments, and consider obtaining repayment of these salary overpayments, if necessary.

- B. The County Clerk calculated the salary of the Treasurer and Ex Officio County Collector based on the calendar year instead of the office holder's incumbency and as a result, the Treasurer and Ex Officio Collector was overpaid \$462 and underpaid \$49 and \$97 during the years ending March 31, 2003, 2002, and 2001, which netted an overpayment of \$316. The county should review this situation and consider obtaining reimbursement of the \$316 in overpayment. Section

50.333.8 RSMo 2000, states that the elected officials' salaries shall be adjusted each year on the official's year of incumbency for any increase in the maximum allowable salary caused by a change in the last completed assessment.

- C. Various county employees who handle monies are not bonded. As a means of safeguarding assets and reducing the county's risk if a misappropriation of funds would occur, all employees handling monies should be adequately bonded.

**WE RECOMMEND** the County Commission:

- A. Review these salary increases, obtain a legal opinion, and consider obtaining repayment of the salary overpayments, if necessary. In addition, ensure the salary commission approves all salary increases and salary commission minutes clearly document all decisions made.
- B. Review this situation and consider obtaining reimbursement of \$316 from the Treasurer and Ex Officio County Collector.
- C. Review current bonds and ensure there is adequate bond coverage for all county employees with access to monies.

**AUDITEE'S RESPONSE**

*The County Commission provided the following responses:*

- A. *The salary commission will meet in 2005, and the minutes of that meeting will clearly state the commission's intent.*
- B. *We will review the need to obtain repayment after discussing this issue with the Treasurer and Ex Officio County Collector.*
- C. *We will check into obtaining a blanket bond for the county.*

*The County Treasurer and Ex Officio County Collector provided the following response:*

- B. *I will discuss the situation with the County Commission, and hopefully we can arrive at a fair solution.*

<b>3. Personnel Policies and Procedures</b>
---

Centralized leave records are not maintained for all county employees by the County Clerk. As a result, two Sheriff's office employees were allowed to accumulate annual leave beyond the maximum allowed by the county's personnel policy and another employee was allowed to take annual leave beyond his accumulated balance.

Time sheets are prepared monthly by all employees, reviewed and approved by the employee's supervisor, and submitted to the County Clerk for filing. Employees occasionally work overtime and receive compensatory time off for overtime hours worked. Employees earn annual and sick leave which can accumulate to a specified maximum. We reviewed the time sheets and leave records for several employees and noted the following concerns.

- A. The County Clerk does not maintain centralized leave records on a regular basis. Employees are responsible for recording and accumulating their leave balances on the leave accrual records. The leave records are reviewed and approved by the employee's supervisor and maintained by the officeholders. Annually, the leave records are submitted to the County Clerk for filing. The County Clerk should maintain centralized leave records and reconcile the employees' time sheets to leave records monthly. Without centralized leave records, the County Commission cannot ensure that employees' vacation and sick leave balances are accurate and that all employees are treated equitably.
- B. As a result of not maintaining centralized records as noted in Part A., some Sheriff's office employees' accumulation and use of annual leave was in violation of the county's policy and went undetected. For example:
  - 1. Leave records indicate two Sheriff's office employees were allowed to accumulate annual leave beyond the maximum allowed by the county's personnel policy. To ensure leave balances are accurate and employees are treated equitably, leave time earned and taken should be recorded on a timely basis and the county should follow the personnel policy regarding the maximum accumulation of annual leave.
  - 2. The Sheriff allowed one employee to take annual leave beyond his accumulated balance. The county's leave policy indicates leave may not be taken in excess of what is earned by the employee. Established procedures protect both the county and the employees and ensure all employees are treated fairly and equitably. Failure to comply with established policies brings uncertainty to accepted operating procedures of the county.

A condition similar to Part A. was noted in our prior report.

**WE RECOMMEND** the County Commission:

- A. Require the County Clerk to maintain centralized leave records and ensure those records reconcile to the employees' time sheets.
- B.1. Discontinue the practice of allowing employees to accrue leave beyond the maximum levels established by the personnel policy.

2. Follow established leave policies or review and amend those policies as warranted.

### **AUDITEE'S RESPONSE**

*The County Commission provided the following responses:*

- A. *We will consider having balances recorded on the timesheets beginning next year. For this year, accrual sheets will be reviewed after six months.*
- B. *We will discontinue this practice.*

<b>4. General Fixed Assets</b>
--------------------------------

Although the county maintains a list of county property, it is not complete and procedures have not been established to ensure its accuracy. The County Commission or its designee is responsible for maintaining a complete detailed record of county property. In addition, each county official or their designee is responsible for performing periodic inventories and inspections. The County Clerk does not periodically reconcile equipment purchases with additions to the fixed asset records, and physical inventories are not being performed for assets assigned to some officials. Several fixed assets purchased by the Sheriff's office during the years ended December 31, 2003 and 2002 were not added to the listing, including three VCRs and an antenna. Property records do not always include the necessary information for some assets, such as serial number, make, model, identification number, acquisition by fund, acquisition date, and the date and method of disposal. Also, property items were not always properly numbered, tagged, or otherwise identified.

Adequate general fixed asset records are necessary to secure better internal control over county property, meet statutory requirements, and provide a basis for determining proper insurance coverage required on county property. Section 49.093, RSMo 2000, provides the county officer of each county department shall annually inspect and inventory county property used by that department with an individual original value of \$250 or more and any property with an aggregate original value of \$1,000 or more. After the first inventory is taken, an explanation of material changes shall be attached to subsequent inventories. All remaining property not inventoried by a particular department shall be inventoried by the County Clerk. The reports required by this section shall be signed by the County Clerk. Property control tags should also be affixed to all fixed asset items to help improve accountability and to ensure that assets are properly identified as belonging to the county.

**WE RECOMMEND** the County Commission establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, discuss procedures for the handling of asset disposition, and any other concerns associated with county property. Also, inventories and inspections should be

performed by each county official and the County Clerk, and general fixed asset purchases should be periodically reconciled to general fixed asset additions. In addition, property control tags should be affixed.

### **AUDITEE'S RESPONSE**

*The County Commission indicated they will discuss this issue with the Sheriff.*

<b>5. Circuit Clerk's Controls and Procedures</b>
---

Bank reconciliations are not prepared for the fee account in a timely manner, the Circuit Clerk relies on the Office of State Courts Administrator (OSCA) to identify and resolve errors made in the accounting system, several outstanding checks are over one year old, and open items (liabilities) are not reconciled to the related cash balance. In addition, a complete listing of accrued costs owed to the court is not maintained, and monitoring procedures related to accrued costs are not adequate. The Law Library Fund has accumulated a significant cash balance without any specific documented plans for its use, and its over \$20,000 balance is maintained in a noninterest-bearing checking account.

The Circuit Clerk's office processed receipts from fines and costs for criminal and civil cases of approximately \$371,000 and \$355,000 during the years ending December 31, 2003 and 2002, respectively. The county receives a \$15 Law Library fee on all civil cases filed in the Circuit Court, and the Circuit Clerk acts as treasurer of the Law Library Fund.

A. The following concerns were noted regarding the Circuit Clerk's fee account and the related open items listing:

1. Bank reconciliations were not prepared for the fee account in a timely manner. Bank reconciliations were not prepared for the months of April through December 2003 until May 11, 2004, and the December 2002 bank reconciliation was not prepared until April 21, 2003. The Circuit Clerk indicated the reconciliations were not performed because of errors in the computerized accounting system.

In addition, the Circuit Clerk relies on the Office of State Courts Administrator (OSCA) to identify and resolve errors made in the accounting system. For example, the December 2003 bank reconciliation showed an adjustment made to the reconciliation to make it balance to the accounting system. The Circuit Clerk was unable to explain the reason for the adjustment, and upon our request, he contacted the OSCA regarding the adjustment. The OSCA determined the Circuit Clerk had paid out monthly fees totaling \$2,743 to the County Treasurer twice. As of December 15, 2004, this error had not been corrected by the Circuit Clerk.

The preparation of monthly bank reconciliations is necessary to ensure accounting records agree with bank records and errors are discovered on a timely basis. In addition, although the OSCA provides support to Circuit Clerk offices across the state, it is the Circuit Clerk's responsibility to perform bank reconciliations monthly, and ensure the bank reconciliations generated are reviewed for accuracy. If errors are identified, corrections should be made in a timely manner.

2. Although the Circuit Clerk has established a formal written policy for his office to routinely follow up on old outstanding checks quarterly, it is apparently not being followed. At December 31, 2003, checks totaling \$2,212 had been outstanding for more than one year. These old outstanding checks create additional and unnecessary record-keeping responsibilities. An attempt should be made to locate the payees of the old outstanding checks and the checks should be reissued if possible. If the payee cannot be located, the monies should be disposed of as provided by state law. In addition, the Circuit Clerk's outstanding check policy should be followed.
3. A monthly listing of open items (liabilities) was prepared by the Circuit Clerk's office; however, the listing was not properly reconciled with the cash balance of the fee account. At December 31, 2003, the open items listing exceeded the reconciled cash balance by \$1,135. A complete and accurate listing of open items should be prepared monthly and reconciled to the cash balance to ensure records are in balance and sufficient funds are available for the payment of all liabilities. The Circuit Clerk should investigate the difference between open items and the available cash balance, and take appropriate action.

A condition similar to Part A.3. was noted in our prior report.

- B. A complete listing of accrued costs owed to the court is not maintained by the Circuit Clerk, and monitoring procedures related to accrued costs are not adequate. The Circuit Clerk relies on the probation and parole officers to ensure that monies owed to the court are paid. A complete and accurate accrued cost listing would allow the Circuit Clerk to more easily review the amounts owed to the court, and take the appropriate steps to ensure all amounts owed are collected on a timely basis.
- C. The Law Library Fund has accumulated a significant cash balance without any specific documented plans for its use. In 1997, 1998, and 1999, the Prosecuting Attorney reduced traffic ticket charges in exchange for a donation to the Law Library Fund. According to the court, \$19,200 in donations was collected over the three years. As a result of the donations, law library fees collected, and minimal spending, the balance of the Law Library Fund has grown from \$7,105 at December 31, 1996 to \$24,980 at December 31, 2003. The court should review

the balance in the Law Library Fund, consider its future needs, and document its plan for expending the monies.

- D. Most of the Law Library Fund is maintained in a noninterest-bearing checking account. The bank balance was \$20,321 at December 31, 2003. To maximize revenues, Law Library monies should be deposited into an interest-bearing account.

**WE RECOMMEND** the Circuit Clerk:

- A.1. Prepare and ensure bank reconciliations are agreed to book balances monthly, and if errors are identified, ensure corrections are made in a timely manner. In addition, the Circuit Clerk should request reimbursement of \$2,743 from the County Treasurer.
  - 2. Attempt to resolve the old outstanding checks, and follow the office's established outstanding check policy.
  - 3. Reconcile the monthly listing of open items to the cash balance, and attempt to investigate any unidentified monies or shortages.
- B. Ensure an accurate listing of accrued costs is prepared, and establish adequate procedures to monitor and collect accrued costs.
- C. Review the cash balance of the Law Library Fund, consider the court's future needs, and document the plans for expending the monies.
- D. Ensure Law Library Fund monies are deposited into an interest-bearing account.

**AUDITEE'S RESPONSE**

*The Circuit Clerk provided the following responses:*

- A.1. *I will do that. The reimbursement has been received.*
  - 2. *The old outstanding checks are now being resolved and I am following the office policy.*
  - 3. *I am working to reconcile the open items to the cash balance.*
- B. *We do have some procedures in place to monitor accrued costs. We will prepare a listing of costs due and take action to collect court costs.*
- C. *The Presiding Circuit Judge is aware of the balance in the account and as treasurer of the fund I do not have authority to determine a plan for spending the monies. I will expend the monies as ordered by the court.*

D. *I will deposit the law library monies into an interest-bearing account.*

*The Circuit Judge provided the following response:*

C. *I am aware of the balance of the Law Library Fund, and the court is looking into technology updates for the law library and court room.*

<b>6. Prosecuting Attorney's Controls and Procedures</b>
--

Receipt slips are not always issued for some monies received, the method of payment is not always indicated on the receipt slips, original copies of voided receipt slips are not always maintained, and private practice receipt slips are occasionally used for the official receipts of the Prosecuting Attorney's office. In addition, receipts are not deposited intact or in a timely manner, and checks and money orders are not restrictively endorsed immediately upon receipt. Bad check fees can be waived without the approval of the Prosecuting Attorney, an adequate system to account for all bad checks received has not been established, and procedures have not been adopted to ensure that bad check complaints are filed with the court in a timely manner.

The Prosecuting Attorney's Office collected court-ordered restitution and bad check related restitution and fees totaling approximately \$9,000 and \$11,000 during the years ended December 31, 2003 and 2002, respectively. The Prosecuting Attorney maintains an account for the deposit and disbursement of court-ordered restitution and bad check fees.

A. Receipt slips are not always issued for some monies received. Receipt slips are not issued for monies received through the mail or from the Circuit Court. In addition, the method of payment is not always indicated on the receipt slip, and original copies of voided receipt slips are not always maintained. Further, receipt slips of the Prosecuting Attorney's private practice are occasionally used for official receipts of the Prosecuting Attorney's office.

To ensure monies are properly accounted for and deposited intact, prenumbered receipt slips should be issued for all monies received, the method of payment should be indicated on each receipt slip, and the composition of receipt slips issued should be reconciled to the composition of deposits. In addition, voided receipt slips should be properly mutilated and retained, and official receipt slips of the Prosecuting Attorney's office should be used for county business.

B. Receipts are not deposited intact or in a timely manner. For example, a bad check fee was received on August 17, 2004, placed in the defendant's file, and was not deposited until August 31, 2004. In addition, checks and money orders are not restrictively endorsed immediately upon receipt. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, deposits should be made intact daily or when accumulated receipts exceed \$100, and checks and money

orders payable to the Prosecuting Attorney should be restrictively endorsed immediately upon receipt.

- C. The Prosecuting Attorney's Legal Assistant or Bad Check Unit Supervisor can waive the bad check fee charged to the bad check writer without obtaining approval from the Prosecuting Attorney. We noted an instance in which monies were paid to the victim without the related bad check fee being collected. To ensure bad check fees are properly charged and collected, all waivers should be adequately documented and approved by the Prosecuting Attorney.
- D. An adequate system to account for all bad checks received by the Prosecuting Attorney's office as well as the subsequent disposition of these bad checks has not been established. Currently, Barton County merchants complete an unnumbered complaint form at the time the bad check is turned over to the Prosecuting Attorney for collection. The complaint form and information regarding the handling of each case is maintained in the individual case files. The Prosecuting Attorney's office has not established procedures to ensure the disposition of bad checks has been accounted for properly.

In addition, bad checks were not always filed with the court in a timely manner. For example, the Prosecuting Attorney issued a ten day letter on April 2, 2003 for a bad check written on February 24, 2003 and did not file charges against the bad check writer until December 8, 2003.

To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a sequential number should be assigned to each bad check complaint form or bad check received and a log should be maintained showing each bad check and its disposition. The log should contain information such as the assigned number, the merchant, the issuer of the check, the amount of the check, the amount of the bad check fee, and the disposition of the bad check, including date payment was received and transmitted to the merchant or the criminal case in which charges were filed or other disposition. In addition, procedures should be established to ensure bad check complaints are filed in a timely manner with the court.

**WE RECOMMEND** the Prosecuting Attorney:

- A. Issue receipt slips for all monies received, maintain original copies of all voided receipt slips, and ensure official receipt slips are used for county business. In addition, ensure the method of payment is indicated on all receipt slips and reconcile total cash, checks, and money orders received to the composition of amounts deposited.
- B. Deposit all monies intact daily or when accumulated receipts exceed \$100, and restrictively endorse checks and money orders immediately upon receipt.
- C. Approve and document all waivers of bad check fees.

- D. Implement procedures to adequately account for bad checks received, as well as the ultimate disposition through the use of sequential numbers assigned to each bad check complaint form or bad check received and a log to account for the numerical sequence and disposition of each bad check. In addition, establish procedures to adequately follow-up on ten-day letters for bad checks received and file complaints with the Circuit Clerk in a timely manner.

### **AUDITEE'S RESPONSE**

*The Prosecuting Attorney provided the following responses:*

- A. *Receipt slips will be issued for all monies received including monies from the court. We require bad check fees to be paid with cashier's checks or money orders. Voided receipt slips will be maintained. The next time receipt slip books are ordered they will be distinguished from those of the private practice. The receipt slips are currently being maintained separately.*
- B. *This example was not a typical situation. We are depositing monies as needed. Checks and money orders are currently being restrictively endorsed upon receipt.*
- C. *I was aware of all fee waivers, all of which I approved, but I will document my approval in the future.*
- D. *A tracking system will be reimplemented immediately.*

**7.**

### **Sheriff's Controls and Procedures**

Receipts are not always deposited timely, checks and money orders received are not restrictively endorsed and kept in a secure location until deposited, receipt slips are not always issued in sequential order or properly accounted for, the method of payment is not always indicated on receipt slips, and original copies of voided receipt slips are not always maintained. Controls and procedures over inmate monies regarding the segregation of duties, following up on old outstanding checks, and preparing listings of open items (liabilities) have not been established. In addition, seized property items are not always tagged to identify the property to a specific case, the Sheriff's office does not calculate the average cost of meals served to prisoners, and vehicle logs are not maintained for Sheriff's office vehicles.

The Sheriff's office received monies for civil and criminal process fees, gun permits, bonds, and other miscellaneous receipts totaling \$133,371 and \$130,335 during the years ending December 31, 2003 and 2002, respectively. The Sheriff is also responsible for accounting for any monies in the custody of an inmate upon incarceration, seized property, and providing meals to county prisoners. The Sheriff's office handled inmate receipts of \$20,325 and \$13,580 during the years ending December 31, 2003 and 2002, respectively.

- A. Receipts are not always deposited in a timely manner. For example, six receipts totaling \$240 were received on October 2, 2003 and not deposited until October 22, 2003; although, other monies were received and deposited during this 20-day period. In addition, checks and money orders received are not restrictively endorsed immediately upon receipt and are kept in an unlocked desk drawer until deposited.

To adequately safeguard monies and reduce the risk of loss or misuse of funds, deposits should be made intact daily or when accumulated receipts exceed \$100, and checks and money orders should be restrictively endorsed and kept in a secure location.

- B. Receipt slips are not always issued in sequential order or properly accounted for. In addition, the method of payment is not always indicated on receipt slips, and original copies of voided receipt slips are not always maintained.

To ensure receipts are properly accounted for and deposited intact, receipt slips should be issued in sequential order and properly accounted for, the method of payment should be indicated on each receipt slip, and the composition of receipt slips issued should be reconciled to the composition of deposits. In addition, voided receipt slips should be properly mutilated and retained.

- C. Upon incarceration, any monies in the custody of an inmate are deposited into the inmate bank account. Records are maintained for each inmate to reflect monies received on the inmate's behalf and the available cash balance. The following concerns were noted related to these monies:

1. The duties of receiving, recording, depositing and disbursing inmate monies, and reconciling the inmate bank account are not adequately segregated. One clerk primarily performs all of these duties. In addition, there is no indication that supervisory reviews are performed. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating inmate accounting and bookkeeping duties among available employees or by implementing an independent documented review of inmate records by another employee of the Sheriff.
2. The Sheriff has not established procedures to routinely follow up on old outstanding checks for the inmate account. At December 31, 2003, forty-six checks written on the inmate account totaling \$145 had been outstanding for over a year. These old outstanding checks create additional and unnecessary record-keeping responsibilities. An attempt should be made to locate the payees of the old outstanding checks and the checks should be reissued if possible. If the payee cannot be located, the monies should be disposed of as provided by state law.

3. A monthly listing of open items (liabilities) or inmate balances is not prepared and reconciled to the inmate bank account balance. The balance of the inmate account at December 31, 2003 was \$651. A complete and accurate listing of open items or inmate balances should be prepared monthly and reconciled to the cash balance to ensure records are in balance and sufficient funds are available for the payment of all liabilities.
- D. Seized property items are not always tagged to identify the property to a specific case. Considering the often sensitive nature of the seized property, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the stored items.
  - E. Although the Sheriff's office maintains attendance records of prisoners housed in the county jail and retains documentation of the related food purchases from local vendors, the Sheriff's office does not calculate the average cost of meals served to prisoners. During the years ended December 31, 2003 and 2002, expenditures for prisoner food totaled approximately \$37,053 and \$28,940, respectively. The average cost of meals served to prisoners should be calculated periodically to ensure county assets are not misused and that expenditures for prisoner meals are reasonable. In addition, Section 221.105, RSMo 2000, requires the governing body of any county to fix the amount to be expended for the cost of incarceration of prisoners confined in the jail.
  - F. Vehicle logs are not maintained for the ten Sheriff's vehicles. Fuel purchases for these vehicles were \$16,504 and \$12,689 for the years ended December 31, 2003 and 2002, respectively. Vehicle logs are necessary to document appropriate use of the vehicles and to support fuel charges. The log should include the purpose and destination of each trip, the daily beginning and ending odometer readings, and the operation and maintenance costs. These logs should be reviewed by a supervisor to ensure vehicles are used only for county business and to help identify vehicles and equipment which should be replaced. Information in the logs should be periodically reconciled to fuel purchases and other maintenance charges.

**WE RECOMMEND** the Sheriff:

- A. Deposit all monies intact daily or when accumulated receipts exceed \$100. In addition, restrictively endorse checks and money orders immediately upon receipt, and ensure receipts are kept in a secure location until deposited.
- B. Properly account for the numerical sequence of receipt slips issued, and maintain original copies of all voided receipt slips. In addition, ensure the method of payment is indicated on all receipt slips and reconcile total cash, checks, and money orders received to the composition of amounts deposited.

- C.1. Segregate accounting duties related to the handling of inmate monies to the extent possible or ensure periodic supervisory reviews are performed and documented.
- 2. Attempt to resolve the old outstanding checks.
- 3. Prepare monthly open items listings of inmate monies and reconcile the listings to the cash balance.
- D. Mark all seized property with prenumbered property tags and identify the property to specific cases.
- E. Calculate the average cost of prisoner meals periodically.
- F. Ensure the Sheriff's office maintains vehicle logs which include the purpose and destination of each trip, the daily beginning and ending odometer readings, and the operation and maintenance costs. Ensure these logs are reviewed by a supervisor to ensure vehicles are used only for county business and to help identify vehicles and equipment which should be replaced. In addition, ensure information on the logs is periodically reconciled to fuel purchases and other maintenance charges.

### **AUDITEE'S RESPONSE**

*The current Sheriff provided the following responses:*

- A. *Deposits are being made daily. We have started restrictively endorsing checks and money orders immediately upon receipt. We are in the process of getting a locked drawer for receipts.*
- B. *This recommendation has been implemented.*
- C.1. *We are currently looking for someone to perform supervisory reviews.*
  - 2. *I will look into turning these over to the State Unclaimed Property.*
  - 3. *We will start maintaining a list of open items.*
- D. *New procedures are in place to take care of the situation.*
- E. *We will start calculating the cost quarterly.*
- F. *Vehicle logs are currently being utilized.*

*The former Sheriff concurred with the current Sheriff's responses.*

Receipt slips are only issued upon request, some cash receipts are not transmitted to the County Treasurer intact, the change fund is not maintained at a constant amount, and checks and money orders are not restrictively endorsed upon receipt. In addition, accounting duties are not adequately segregated, and the Assessor does not file monthly reports of fees with the County Commission. The Assessor's office processed receipts for maps and photocopies of approximately \$1,100 and \$550 during the years ending December 31, 2003 and 2002, respectively.

- A. The Assessor's office accepts cash, checks, and money orders, and receipt slips are only issued upon request. In addition, some cash receipts are not transmitted to the County Treasurer and are used for a change fund. The change fund is not maintained at a constant amount. Also, checks and money orders are not restrictively endorsed upon receipt. To ensure monies are properly accounted for, pre-numbered receipt slips indicating the method of payment should be issued for all monies received, receipts should be transmitted intact, and the composition of receipt slips issued should be reconciled to the composition of transmittals to the County Treasurer. If a change fund is determined to be necessary, it should be maintained at a constant amount. In addition, to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.
- B. Accounting duties are not adequately segregated. One clerk is primarily responsible for receiving and recording monies and transmitting the monies to the County Treasurer. Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving and recording from transmitting receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.
- C. The Assessor does not file monthly reports of fees with the County Commission. Section 50.370, RSMo. 2000, requires county officials to prepare and file with the County Commission monthly reports of fees collected.

While the Assessor does not collect a large amount of fees, control weaknesses such as these need to be improved.

**WE RECOMMEND** the Assessor:

- A. Issue pre-numbered receipt slips for all monies received, transmit all monies received to the County Treasurer intact, and ensure the method of payment is indicated on all receipt slips. Reconcile total cash, checks, and money orders received to amounts transmitted to the County Treasurer, and restrictively endorse

checks and money orders immediately upon receipt. In addition, if a change fund is needed, it should be maintained at a constant amount.

- B. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- C. Prepare monthly reports of fees as required by state law.

### **AUDITEE'S RESPONSE**

*The Assessor indicated starting January 1, 2005, the Barton County Assessors office will no longer be taking payments for copies, maps, faxes, or services. Payment of these things will henceforth be made in the County Treasurer's office.*

<b>9. Health Center Controls and Procedures</b>
---

The health center board did not adequately research software products, and as a result have expended over \$44,000 for software that is not being utilized. In addition health center personnel did not monitor amounts expended on Comprehensive Family Planning (CFP) services, and the average cost per client of providing such services was not periodically calculated and monitored.

- A. On December 30, 2002, the health center entered into a software license and support and maintenance agreement totaling \$50,950 for the purpose of filing Medicare bills electronically. The health center subsequently paid the software company \$44,360 during the period January through August 2003. The Health Center Administrator indicated the computer software did not work properly from its initial installation and has not been used since. The health center is currently using a free software package provided by Medicare. Although the health center obtained three bids for the software, adequate research of the various software products was apparently not performed. While the Health Center Administrator provided us a memo dated March 14, 2005 which indicated the health center had called references provided by the software company, the health center did not require any software testing prior to purchasing the product, or adequately research the compatibility of the software to ensure it was going to meet the needs of the health center. The health center retained an attorney in October 2004 to negotiate a refund; however, the attorney advised the board to drop the suit because it would cost the health center more in legal costs to obtain damages than was fiscally responsible. In the future, the board should ensure adequate research into major purchases is performed to ensure health center resources are being expended in a wise and prudent manner.
- B. Health center personnel did not monitor amounts expended on CFP services. In addition, the average cost per client of providing such services was not periodically calculated and monitored.

The health center's CFP contract with the Missouri Department of Health and Senior Services provided the average cost of providing CFP services should be at least \$150 per client (excluding administrative costs). Based upon CFP expenditures documented by the health center for the federal fiscal years ended September 30, 2001 and 2000, the average cost was \$139 and \$145 per client excluding administrative costs, respectively.

**WE RECOMMEND** the Board of Trustees:

- A. Ensure adequate research into major purchases is performed to ensure resources are being expended in a wise and prudent manner.
- B. Ensure CFP expenditures are in compliance with the contract and contact the state Department of Health and Senior Services to resolve this situation.

**AUDITEE'S RESPONSE**

*The Health Center Administrator provided the following responses:*

- A. *We did review other purchasing options, and out of the three, we believed this was the best one available.*
- B. *This program has been discontinued.*

## Follow-Up on Prior Audit Findings

BARTON COUNTY, MISSOURI  
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Barton County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 1999.

The prior recommendations which have not been implemented are repeated in the current MAR.

1. Cost Sharing Agreement with the Prosecuting Attorney

The County's written agreement with the Prosecuting Attorney did not address the arrangements for dividing salaries of the secretaries between the County and the private law practice of the Prosecuting Attorney. Additionally, the time sheets of the secretaries did not reflect time worked on county business versus private practice business.

Recommendation:

The County Commission enter into a written agreement with the Prosecuting Attorney outlining the specific arrangements regarding payment of the Prosecuting Attorney's secretaries' salaries. The basis for the arrangements should be documented and retained. In addition, the Prosecuting Attorney's secretaries should prepare time sheets to reflect time worked on county business.

Status:

Implemented.

2. Personnel Policies and Procedures

A. Leave amounts reported on the employees' time sheets did not agree to the amounts recorded on the employee's leave record in several instances. In addition, some annual leave and compensatory balances were not carried forward in the subsequent year. The County Clerk did not maintain centralized leave records.

B. Employee time sheets were not signed by the employee's supervisor in some instances.

Recommendation:

The County Commission:

A. Require the County Clerk to maintain centralized leave records and ensure those records reconcile to the employees' time sheets and ensure the leave balances are properly carried forward to subsequent years.

B. Ensure time sheets are signed by the employee's supervisor.

Status:

A. Not implemented. See MAR finding number 3.

B. Implemented.

3. Circuit Clerk's Liabilities

The Circuit Clerk was unable to reconcile the open items (liabilities) and the cash balance for the traffic account. The unreconciled difference between the total open items balance and cash balance often fluctuated monthly.

Recommendation:

The Circuit Clerk ensure open-items reports are prepared monthly and reconciled to the bank balances for the traffic account.

Status:

Not implemented. The Circuit Clerk's traffic account has been closed; however, the same problems exist with the current accounts. See MAR finding number 5.

STATISTICAL SECTION

History, Organization, and  
Statistical Information

BARTON COUNTY, MISSOURI  
HISTORY, ORGANIZATION,  
AND STATISTICAL INFORMATION

Organized in 1855, the county of Barton was named after David Barton, a U.S. Senator. Barton County is a township-organized, third-class county and is part of the Twenty-Eighth Judicial Circuit. The county seat is Lamar.

Barton County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining approximately 132 county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The townships maintain approximately 592 miles of county roads.

The county's population was 11,292 in 1980 and 12,541 in 2000. The following chart shows the county's change in assessed valuation since 1980:

		Year Ended December 31,					
		2003	2002	2001	2000	1985*	1980**
		(in millions)					
Real estate	\$	82.8	74.9	72.9	71.6	45.1	19.7
Personal property		42.5	41.0	39.8	37.1	13.7	8.6
Railroad and utilities		15.1	16.0	17.2	17.4	10.3	9.7
Total	\$	140.4	131.9	129.9	126.1	69.1	38.0

\* First year of statewide reassessment.

\*\* Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Barton County's property tax rates per \$100 of assessed valuations were as follows:

		Year Ended December 31,			
		2003	2002	2001	2000
General Revenue Fund	\$	.0500	.0500	.0500	.0500
Health Center Fund		.1000	.1000	.1000	.0800

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county and townships bill and collect property taxes for themselves and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28 (29),			
	2004	2003	2002	2001
State of Missouri	\$ 42,708	40,009	39,813	38,078
General Revenue Fund	84,580	80,559	69,907	67,146
Assessment Fund	66,481	62,548	61,486	60,396
Health Center Fund	140,364	131,241	129,153	100,709
Hospital Fund	126,039	119,284	118,589	113,496
School districts	4,770,869	4,429,508	4,376,099	4,198,823
Library district	207,293	195,863	194,075	185,132
Ambulance district	214,178	202,617	201,700	193,134
Fire protection district	9,273	8,934	9,292	8,647
Tax Maintenance Fund	7,785	2,208	0	0
Overplus Fund	42	0	0	86
Cities	388,749	368,704	364,239	353,091
Townships	617,884	636,163	613,571	601,447
County Clerk	2,499	2,222	2,015	2,326
County Employees' Retirement	34,564	31,241	30,424	26,508
Commissions and fees:				
General Revenue Fund	51,715	49,421	50,323	52,490
Townships	61,509	58,280	57,107	56,517
<b>Total</b>	<b>\$ 6,826,532</b>	<b>6,418,802</b>	<b>6,317,793</b>	<b>6,058,026</b>

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),				
	2004	2003	2002	2001	
Real estate	93	94	94	94	%
Personal property	91	90	91	91	
Railroad and utilities	100	100	99	100	

Barton County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction	
General	\$ .0050	None	50	%
Law Enforcement	.0050	None	None	

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2004	2003	2002	2001	2000
County-Paid Officials:	\$				
Gerry Miller, Presiding Commissioner		28,400	27,080	27,080	27,080
John Stockdale, Associate Commissioner		26,400	25,080	25,080	18,000
Dennis Wilson, Associate Commissioner		26,400	25,080	25,080	18,000
Jean Keithly, Recorder of Deeds (1)		40,000	N/A	N/A	N/A
Bonda Rawlings, County Clerk		40,000	38,000	38,000	38,000
Steven H. Kaderly, Prosecuting Attorney		47,000	45,000	45,000	45,000
William A. Griffitt, Sheriff		44,000	42,000	42,000	37,000
C. Tucker Joustra, County Coroner		11,000	11,000	11,000	7,000
Teresa E. Moore, Public Administrator (2)		50,520	37,097	33,812	31,982
Frances Cato, Treasurer and Ex Officio County Collector, year ended March 31,	40,000	38,462	37,951	28,653	
Ivan Frieden, County Assessor (3), year ended August 31,		39,977	38,900	38,900	
Douglas J. Sprouls, County Assessor (3), year ended August 31,					38,900

- (1) Barton county voters approved separating the offices of the Recorder of Deeds and the Circuit Clerk in 2002. The newly elected Recorder of Deeds took office in January 2003.
- (2) Includes fees received from probate cases totaling \$36,520, \$23,097, \$19,812, and \$17,982 during the years ending December 31, 2003, 2002, 2001, and 2000.
- (3) Includes \$746 annual compensation received from the state in 2003. Includes \$900 annual compensation received from the state in 2000, 2001, and 2002.

State-Paid Officials:

Jerry A. Moyer, Circuit Clerk and Ex Officio Recorder of Deeds		47,300	47,300	47,300	46,127
Charles Curless, Associate Circuit Judge		96,000	96,000	96,000	97,382